



TRICARE Update



Overview of Presentation

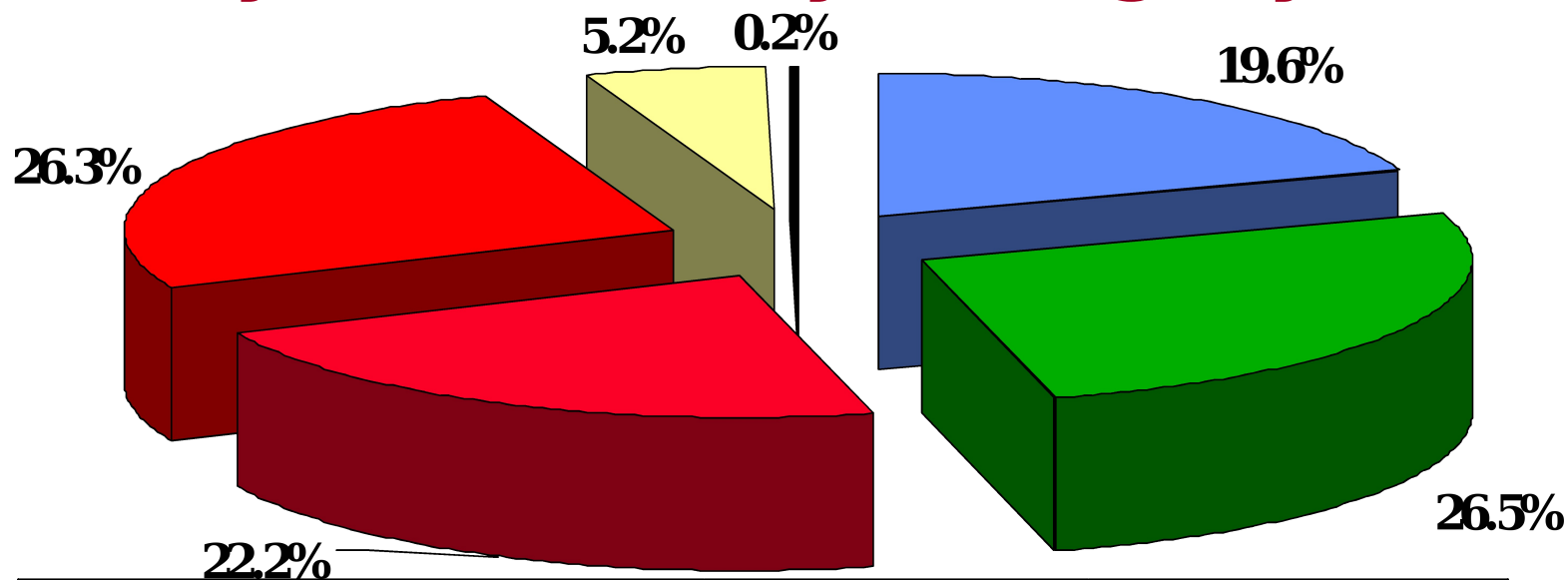
- **TRICARE Health System Updates**
 - **TRICARE For Life Update**
 - **The Next Generation of TRICARE Contracts**
 - **Reserve Component and Transitional Health Care Benefits for Service Members**



TRICARE Goals

- Improve Medical Readiness
- Improve Access
- Maintain High Quality
- Contain Costs

MHS Beneficiary Population by Beneficiary Category



	Beneficiary Category	Population Count	% of Total Population
	Active Duty/Guard	1,704,537	19.6%
	Dependents of Active Duty/Guard	2,302,945	26.5%
	Retirees	1,933,604	22.2%
	Dependents of Retirees	2,287,096	26.3%
	Dependents of Survivors	452,469	5.2%
	Other	20,813	0.2%
	Total	8,701,464	100%



Office of Personnel Management, *Government Executive* Article, 18 September 2000:



“2001 Costs to Rise 10.5% in Federal [Civilian] Health Plan”

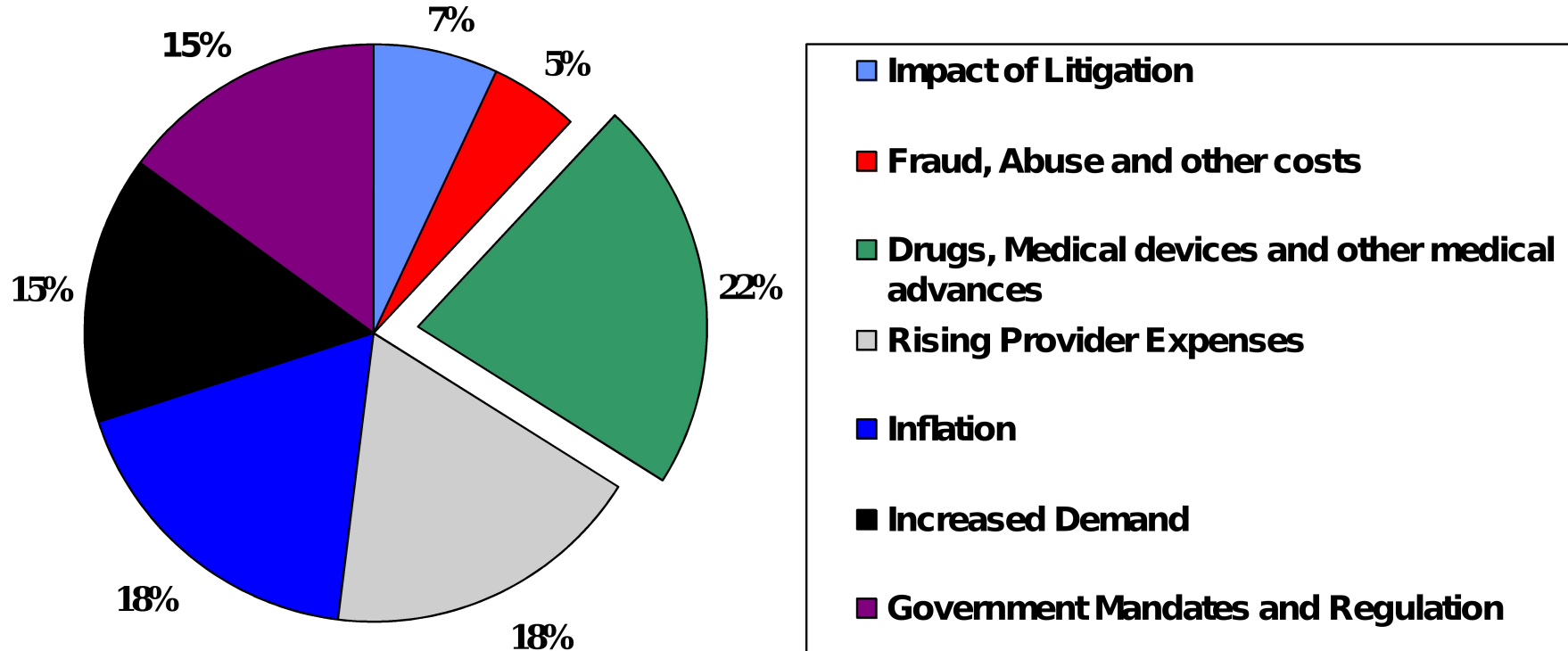
Premium Increases 1998-2002		
	FEHBP	TRICARE
1998	7.2%	0%
1999	9.5%	0%
2000	9.3%	0%
2001	10.5%	0%
TOTAL	36.5% Increase	No Increase

Source: September 18, 2000, “Health premiums rise even higher than expected” , by Kathy Saldarini, ksaldarini@govexec.com



Health Care Costs

Factors contributing to the rising cost in health care insurance premiums



Source: "Employer Health Costs Rise 10%," Miami Herald, 5/3/2002



TRICARE vs HMO's

	TRICARE Prime	Civilian HMO Premium*
E-5 Family of Four	No enrollment Fees No Co-pays	Monthly fees:
Military Retiree, Age 40-65, Family of Four	Enrollment Fee: \$460/year	Individuals: \$111 Families: \$322

**Source: * Major Medical plan as quoted by Kaiser Permanente's website
www.kaiserpermanente.org/locations/midatlantic/individualplan/services.html.**



TRICARE for Life (TFL) Eligibility



- TFL covers uniformed services retirees and family members who are Medicare Eligible
- Must be entitled to Medicare Part A and enrolled in Medicare Part B
- Beneficiaries not entitled to Medicare Part A never lost TRICARE eligibility
- Beneficiaries who do not enroll in Medicare Part B are not eligible for TFL until they enroll



TFL Benefits

- **TRICARE is second payer to Medicare - Medicare pays claim; electronically forwards data for secondary payment by TRICARE**
 - **Services payable by both Medicare and TRICARE**
 - **TRICARE pays out of pocket cost (Medicare deductibles and cost-shares)**
 - **Services payable only by Medicare (Chiropractic)**
 - **TRICARE pays nothing**
 - **Services payable only by TRICARE (Pharmacy, Overseas Care)**
 - **TRICARE cost sharing applies**



New TRICARE Contracts Being Awarded

The TRICARE Health Plan has several medical and dental contracts that provide health care services to more than eight million beneficiaries.

Many of these contracts have reached the end of their planned existence.

The TRICARE Management Activity is in the process of awarding and transitioning to new contracts.



Making a Strong Program Better

**The new contracts will make
TRICARE:**

- easier to access
- better customer service
- more responsive to you

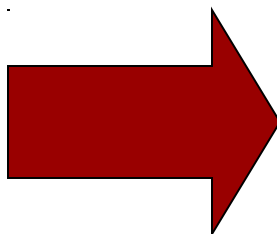


ANUS New TRICARE Contracts for Health Care Services & Support



3 Regions & 3 Contractors

We are moving from 11 regions and 7 contractors, to 3 regions and 3 contractors resulting in better customer service, improved portability and access to quality health care.





ONUS New TRICARE Contracts for Health Care Services & Support



5 Future TRICARE Regional Offices

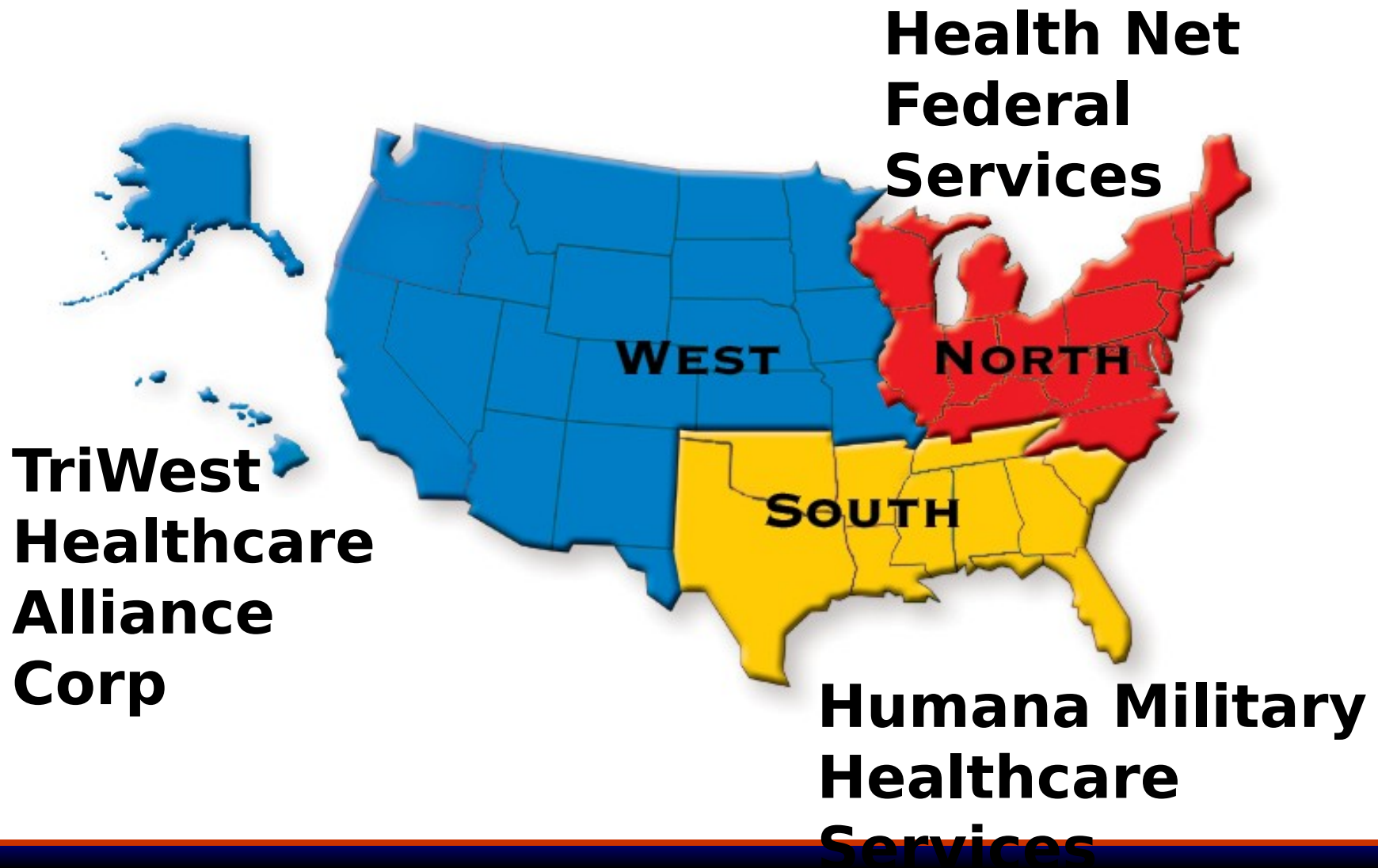




NUS New TRICARE Contracts for Health Care Services & Support



Transitioning Now to 3 Contractors





A Smooth Transition

- The new contracts will be phased in from June through November 2004.
- Our military treatment facilities remain at the core of our system. That does not change.
- There will be an easy transfer of claims data from outgoing contractors to the incoming.
- There will be ample time for building and improving on the best aspects of our current system.
- There is a warning system in place so that if problems are encountered, we can quickly identify and fix them.

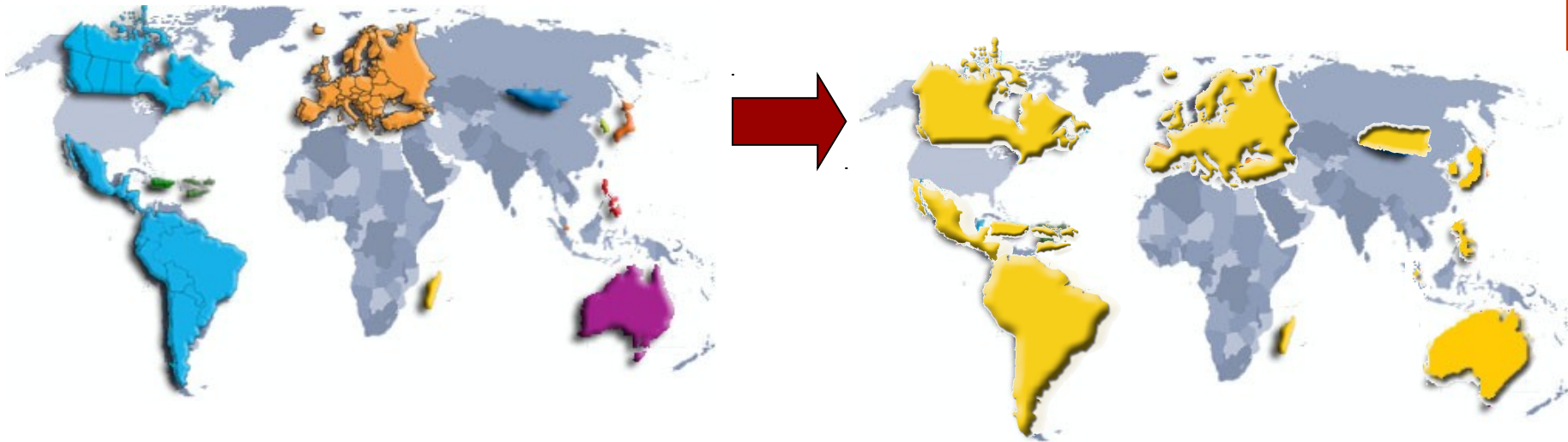


CONUS New TRICARE Contracts for Health Care Services & Support



1 Overseas Region & 1 Contractor

We are moving from 3 overseas regions and 3 contractors to 1 overseas region and 1 contractor resulting in better customer service, improved portability and access to quality health care.





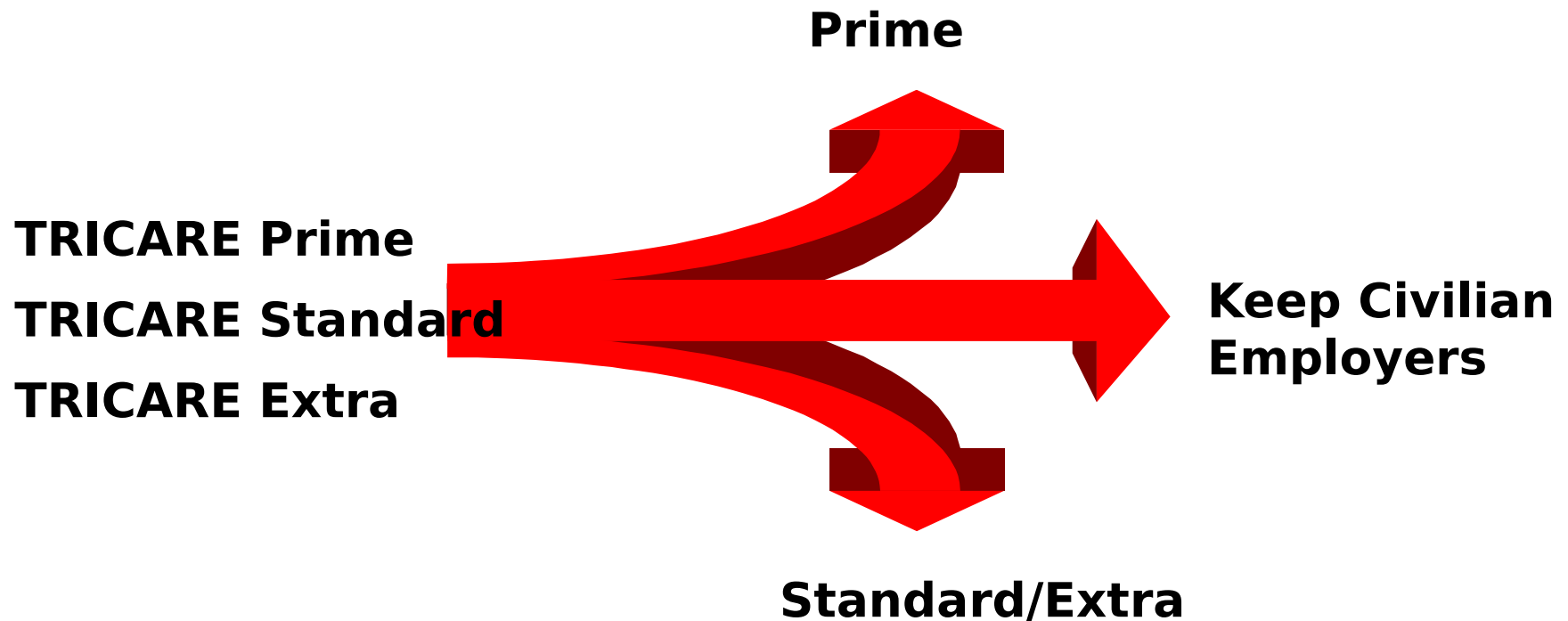
What You Need To Know Before You Mobilize

- What are your health care benefits as a Reserve component member?
- What are your entitlements under USERRA?
- Where do you start to protect your family's health care needs?
- What are your family members' health care benefits?
 - **They are different from your benefits**
- What health options are best for your family?



MEMBERS Options

Which Option Should You Pick?





Military Member

Rights Concerning Your Employer-Sponsored Health Plan

- **Applies when**
 - **Performing active duty**
 - **Covered by an employer-sponsored health plan**
- May continue employer health plan for 18 months
 - **When performing military duty orders for 30 days or less**
 - **pay your usual share of the premium (if any)**
 - **When performing military duty for more than 30 consecutive days**
 - **may be required to pay up to 102% of the full premium**



Military Member

Rights Concerning Your Employer-Sponsored Health Plan

- **You may disenroll from employer sponsored health plan**
- **You have the right to re-enroll**
 - **All previously covered members**
 - **No waiting period**
 - **No exclusion for pre-existing conditions**



Ensure Your Family is Covered

- Enroll eligible family members in DEERS (Defense Enrollment Eligibility Reporting System)
 - **Key to benefits and entitlements**
 - **Bring marriage, birth, divorce, custody, and adoption documents**
- Get military ID cards for eligible family members
- Spouse should carry a copy of sponsor's active duty orders



Reserve Component and Transitional Health Care Benefits



for Service Members

- TRICARE Reserve Family Member Demonstration Project
- Expansion of TRICARE Prime
- Clarification for “Resides With” Clause for TPR
- Transitional Health Care Benefits for Service Members and the Transitional Health Demonstration Project
- Continued Health Care Benefit Program



Dental Benefits



- TDP is not part of the Transitional Healthcare Benefits Program
 - **RC Members who were enrolled in TDP prior to active duty will be automatically reenrolled in TDP**
 - **RC members should contact UCCI to confirm enrollment prior to seeking treatment for themselves or their family members**
 - **Family members enrolled after the first 30 days of mobilization must meet 12 month initial enrollment requirement**
 - **Family members who were enrolled in TDP prior to release from active duty will continue enrollment at the full premium rate**



Demobilization Benefits



- Continued Healthcare Benefits Program
- TRICARE Dental Program
- Transitional Healthcare Benefits



Continued Healthcare Benefit Program

- Provides healthcare benefits similar to TRICARE Standard
 - **Member must enroll within 60 days after separation from AD or loss of eligibility for military healthcare**
 - **18-36 Months**
 - **Quarterly premiums paid by member**
- Humana Healthcare Services
1-800-444-5445



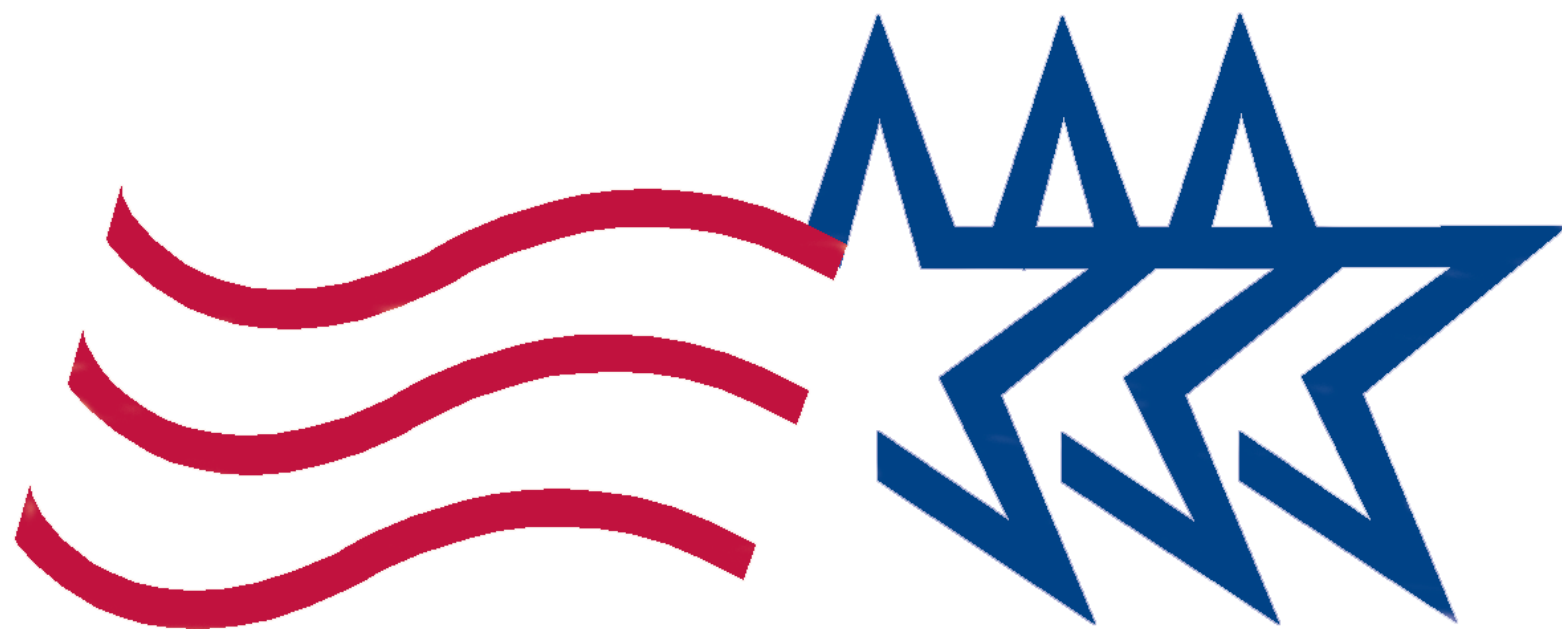
Transitional Healthcare Benefits

- Benefit
 - 60 days – RC members with less than 6 years of active federal service and released from AD on or after Jan 1, 2002
 - 120 days – RC members with 6 years or more of total active federal service and released from AD on or after Jan 1, 2002



Transitional Healthcare Benefits

- **Eligibility for member and eligible family members**
 - RC member released from active duty served for more than 30 days in support of a contingency operation
 - Member separated from AD and involuntarily retained in support of a contingency operation
 - Member separated from active duty following a voluntary agreement to stay on AD for a period of less than 1 year in support of a contingency operation
 - Member involuntarily separated from active duty



T R I C A R E